1	2	3	4	5
Net Profit	20,152	6,465	25,622 (33.6)	8,649 (33.78)
Market share (%)	70.34	21.23	69.96	21.19
CRAR (%)	12.36	12.01	12.51	14.34
ROA (%)	0.82	0.81	0.89	0.99
ROE (%)	13.62	11.59	13.72	9.56

(Figures in brackets indicate growth percentage for the year 2007-08)

(c) To improve the health of the banking sector in India in general, and that of Public Sector Banks (PSBs) in particular, and also to bring it at par with international standards, the Reserve Bank of India (RBI) has prescribed measures for strengthening of risk based prudential supervision for capital adequacy standards on the lines of the Basel Committee norms, etc. coupled with wide ranging steps undertaken by the Government. After initiation of reforms in early 1990s, financial performance of the banking sector has improved significantly. Balance sheet and profitability indicators *viz.* ROA, Net Interest Margin, Non-Performing Assets (NPAs) Ratios, Provisioning and Classification norms for NPAs, Capital Adequacy Ratio etc. suggest that the Indian banking sector now compares well with global benchmarks. Further, to facilitate quick and efficient decision-making and to provide sufficient managerial autonomy to the Boards of public sector banks to be able to compete internationally, Government announced as Autonomy Package in February, 2005 for these banks. The Government has also put in place a mechanism to monitor the overall performance of PSBs on the basis of the 'Statement of Intent on Annual Goals (SOI)' submitted by them on various performance parameters including deposits, advances, non-performing assets (NPAs), cost to income ratio, return on assets (ROA), profit, etc. These steps taken by the Government/RBI have also contributed towards overall increase in profits of PSBs during the years 2006-07 and 2007-08.

Foreign exchange reserves

2412. SHRI RAMA CHANDRA KHUNTIA: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact the foreign exchange reserves of India has been reduced to a great extent and the value of Indian rupee also has been considerably reduced as compared to the US dollar;

(b) if so, whether it will have a negative impact on our economy; and

(c) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) to (c) The exchange rate of the rupee moved from a level of Rs.39.97/US $ as on end-March 2008 to Rs.44.21/US $ on September 1, 2008 and further to a peak of

Rs.50.52/US $ on December 2, 2008. US dollar gaining strength against major world currencies, outflows on account of Foreign Institutional Investment, reduced net capital inflows and widening trade deficit arising from elevated levels of global oil and commodity prices in the first half of the financial year are some of the factors that could be attributed for the depreciation of the rupee. For maintaining orderly conditions and to augment foreign currency liquidity in the foreign exchange market, the Reserve Bank of India (RBI) intervened through sale of US dollars. Due to the cumulative effect of the sale of US dollars by RBI and the valuation loss arising from the appreciation of US dollars against major world currencies, the foreign exchange reserves declined to a level of US $ 245.9 billion on December 5, 2008. The present level of foreign exchange reserves is adequate to meet emerging balance of payments situation in the short to medium term. The real macroeconomic impact of a global slowdown will differ between economies in which net exports are a major driver of growth and those like India in which foreign net demand plays a relatively lower role. The macroeconomic impact of the global financial turmoil on India has been relatively smaller due to the overall strength of domestic demand, the predominantly domestic nature of financing of investment and the structure of the economy; nevertheless with greater openness of the Indian economy relative to earlier periods, some slow down is likely in the short-run.

Fake currency notes

†2413. SHRI MOTILAL VORA:
MS. SUSHILA TIRIYA:

Will the PRIME MINISTER be pleased to state:

(a) whether Government is aware that a large number of fake currency notes are being pumped into the country;

(b) whether it is a fact that the Reserve Bank of India (RBI) has given instructions to be vigilant specially in respect of Rupees 1000 and 500 currency notes;

(c) whether it is also a fact that fake currency notes from Pakistan are coming through the Maitri Express and through Nepal and Bangladesh; and

(d) the action taken against the persons involved in the hawala business by Central Revenue Department during the last two years?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI PAWAN KUMAR BANSAL): (a) As per information compiled by the National Crime Records Bureau, during the year 2007, a total of 303988 currency notes of different denominations amounting to a total of Rs.8,50,90,815/- were reported recovered and seized in the country.

(b) The Reserve Bank of India has given instructions to the Regional Offices and banks to arrange to get quality check of higher denomination bank notes by machines (100% of Rs.1000, 20% of Rs.500 and 10% of Rs.100 denomination bank notes) during the inspection of currency chests branches of banks near international border and other sensitive areas.

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†Original notice of the question was received in Hindi.